Cess and Import Duty on Petrol/Diesel

2446. SHRI MOINUL HASSAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the international price of petrol per barrel and the cost of per litre petrol stands excluding import/export duty;

(b) the import/export duty imposed on one litre of petrol and diesel;

(c) whether it is a fact that the Standing Committee on Energy showed that the increase of Rs. 2.50 per litre of petrol is due to imposing Rs. 2.20 of import duty and Government has earned 43 per cent of total earnings from import duties;

(d) if so, whether the increase in international price of petrol thereby, has become a source of income for Government; and

(e) the total earning of Government on Petro-products through cess and import duty?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (e) The international prices of petrol per barrel and retail selling price of petrol per litre at Delhi are given below:

Average International Price of Petrol for April' 08 (upto 8th)	$/bbl	112.05
Retail selling Price (RSP) of Petrol at Delhi	Rs./Ltr.	45.52

Note: International Price of Petrol is for Singapore market.

The Custom Duty on both Petrol and Diesel is 7.50%. The tax component in the retail selling price of petrol is around 53%. The details are given in the Statement. (*See* below) In the Union Budget 2008-09, the *ad-valorem* component of excise duty on unbranded petrol and unbranded diesel has been abolished and converted to a specific duty with effect from 1.3.2008 as per the details given below:

Sl. No.	Description	From	To
1	Unbranded Petrol	6%+Rs. 13/ltr.	Rs. 14.35/ltr.
2	Unbranded Diesel	6%+Rs. 3.25/ltr.	Rs. 4.60/ltr.

With removal of *ad-valorem* element and replacing with a specific element of Excise Duty, the Government has protected the Oil Marketing Companies from higher incidence of taxes with increase in oil prices. Government revenues would therefore not increase on this account.

The contribution of petroleum sector for the last three years in respect of Customs Duty and Excise Duty is given below:

Rs. in crores

	2004-05	2005-06	2006-07
Customs Duty	11,697	9,157	10,043
Excise Duty (including cess on indigenous crude oil)	43,041	52,064	58,821
TOTAL*:	54,738	61,221	68,864

*Data as furnished by oil companies

Statement

The break-up of price components of Petrol at Delhi

Share of duties and taxes in Retail Selling Price of Petrol

Sl.No.	Particulars	Rs./Litre
1.	Price without Customs Duty, Excise duty and Sales tax components	21.18
2.	Custom Duty (Based on 1st Fortnight of April' 08)	1.97 (4%)
3.	Excise Duty (levied @ Rs. 14.35/litre plus 3% education cess)	14.78 (32%)
4.	Sales Tax	7.59 (17%)
5.	Total of Customs Duty, Excise Duty and Sales tax components (2+3+4)	24.34 (53%)
6.	Retail Selling Price at Delhi (1+5)	**45.52**

Note: Figures in bracket give the components of customs duty, excise duty and sales tax as a per cent of S.No. 6

Indirect tax structure on petroleum products

2447. SHRI MOINUL HASSAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is considering to restructure of indirect tax structure on petroleum products, doing away with the *ad valorem* duty structure and replacing it with specific duties;

(b) if not, the reasons therefor;

(c) whether Government earns a tax of 51 paise on every Re. 1 on petrol and 31 paise on every Re.1 on diesel;

(d) whether it is a fact that with the increase in international prices of petrol and diesel the earning of Government increases; and

(e) why Government may not cut their profit and subsidize the prices of petrol, diesel and LPG for the customers?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) In the Union Budget 2008-09, the *ad-valorem* component of Excise Duty on unbranded petrol and unbranded diesel has been abolished and converted to a specific duty of Rs. 14.35 and Rs. 4.60 per litre respectively with effect from 1.3.2008.

(c) The tax component in the retail selling prices of petrol and diesel at Delhi is 53% and 34% respectively. The details are given in the Statement (*See* below).